

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 229
ANSWERED ON MONDAY, DECEMBER 01, 2025
AGRAHAYANA 10, 1947 (SAKA)**

**SHELL COMPANIES IDENTIFIED UNDER SECTION 248 OF THE
COMPANIES ACT, 2013**

QUESTION

229. Shri Laliji Verma:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

- (a) whether the Government proposes to introduce a formal definition of shell companies under the Companies Act, 2013;**
- (b) the steps taken/being taken by the Government to strengthen monitoring and compliance mechanisms to prevent illegal financial activities of the non-functional firms;**
- (c) the current status of probe of online lending apps identified for regulatory scrutiny along with the expected outcomes thereof; and**
- (d) the number of shell companies identified under Section 248 of the Companies Act, 2013 in Ambedkar Nagar district along with the details of the action taken against them?**

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS
AND MINISTER OF STATE IN THE MINISTRY OF ROAD, TRANSPORT
AND HIGHWAYS**

(SHRI HARSH MALHOTRA)

(a): The term “Shell Companies” has not been defined in the Companies Act, 2013. There is no proposal to introduce such a definition in the Companies Act, 2013.

(b): The Registrars of Companies take action against defaulting companies who fail to file their Annual Returns and/or Financial Statements by taking action under sections 92, 96 and 137 of the Companies Act, 2013 or by striking off the name of the companies under section 248 (1) of the Companies Act read with the Companies (Removal of name of Companies from the Registrar of Companies) Rules, 2016. Action is also taken against companies for diversion, siphoning of funds or fraud etc., as the case may be, whenever contravention of the provisions of the Companies Act is found.

Further, under section 206 (4), 206 (5) and 210 of the Companies Act, 2013, the Central Government orders Inquiries, Inspections, Investigations respectively on the basis of complaints, references and information regarding non-compliances. Based on the findings of the above, suitable action against non-compliant companies including striking off of companies under section 248(1) of the Companies Act, 2013 is done. This is monitored on a regular basis.

(c): Regulatory action for inquiry, inspection of books of accounts and investigation under the Companies Act, 2013 is taken from time to time against companies, including the ones indulged in online lending activities through Loan Apps. Whenever any violation under the Companies Act, 2013 is found on the basis of the above, an appropriate legal action is taken.

Ministry of Electronics and Information Technology (MeitY) is empowered to issue blocking directions to block the Information for public access under section 69A of the Information Technology Act 2000. So far, after following the due process, MeitY has blocked a total of 87 illegal loan lending applications under section 69A of the Information Technology Act 2000.

(d) :As the term Shell Company has not been defined under the Companies Act, 2013, the desired information is not maintained.
